

# HOUSE BILL 1261

C5, M5

2lr1454  
CF SB 733

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By: **Delegate Queen**

Introduced and read first time: February 11, 2022

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Community Solar Energy Generating Systems Pilot Program – Alterations**

3 FOR the purpose of repealing the requirement that a community solar energy generating  
4 system be located in the same electric service territory as a subscriber for the  
5 subscriber to receive monthly electric bill credits; requiring the Public Service  
6 Commission to require an electric company to file a revised tariff and protocol related  
7 to the application of bill credits by a certain date; and generally relating to the  
8 Community Solar Energy Generating Systems Pilot Program.

9 BY renumbering

10 Article – Public Utilities  
11 Section 7–306.2(f) and (g), respectively  
12 to be Section 7–306.2(g) and (h), respectively  
13 Annotated Code of Maryland  
14 (2020 Replacement Volume and 2021 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article – Public Utilities  
17 Section 7–306.2(a)  
18 Annotated Code of Maryland  
19 (2020 Replacement Volume and 2021 Supplement)

20 BY repealing and reenacting, without amendments,

21 Article – Public Utilities  
22 Section 7–306.2(b) and (d)(1), (5), and (6)  
23 Annotated Code of Maryland  
24 (2020 Replacement Volume and 2021 Supplement)

25 BY adding to

26 Article – Public Utilities  
27 Section 7–306.2(f)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2020 Replacement Volume and 2021 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
4 That Section(s) 7–306.2(f) and (g), respectively, of Article – Public Utilities of the Annotated  
5 Code of Maryland be renumbered to be Section(s) 7–306.2(g) and (h), respectively.

6 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
7 as follows:

8 **Article – Public Utilities**

9 7–306.2.

10 (a) (1) In this section the following words have the meanings indicated.

11 (2) “Baseline annual usage” means:

12 (i) a subscriber’s accumulated electricity use in kilowatt–hours for  
13 the 12 months before the subscriber’s most recent subscription; or

14 (ii) for a subscriber that does not have a record of 12 months of  
15 electricity use at the time of the subscriber’s most recent subscription, an estimate of the  
16 subscriber’s accumulated 12 months of electricity use in kilowatt–hours, determined in a  
17 manner the Commission approves.

18 (3) “Community solar energy generating system” means a solar energy  
19 system that:

20 (i) is connected to the electric distribution grid serving the State;

21 (ii) [is located in the same electric service territory as its subscribers;

22 (iii)] is attached to the electric meter of a subscriber or is a separate  
23 facility with its own electric meter;

24 [(iv)] (III) credits its generated electricity, or the value of its  
25 generated electricity, to the bills of the subscribers to that system through virtual net  
26 energy metering;

27 [(v)] (IV) has at least two subscribers but no limit to the maximum  
28 number of subscribers;

29 [(vi)] (V) does not have subscriptions larger than 200 kilowatts  
30 constituting more than 60% of its subscriptions;

1                    [(vii)] (VI) has a generating capacity that does not exceed 2  
2 megawatts as measured by the alternating current rating of the system's inverter; and

3                    [(viii)] (VII) may be owned by any person.

4                    (4) "Program" means the Community Solar Energy Generating Systems  
5 Pilot Program.

6                    (5) "Subscriber" means a retail customer of an electric company that:

7                    (i) holds a subscription to a community solar energy generating  
8 system; and

9                    (ii) has identified one or more individual meters or accounts to which  
10 the subscription shall be attributed.

11                    (6) "Subscriber organization" means:

12                    (i) a person that owns or operates a community solar energy  
13 generating system; or

14                    (ii) the collective group of subscribers of a community solar energy  
15 generating system.

16                    (7) "Subscription" means the portion of the electricity generated by a  
17 community solar energy generating system that is credited to a subscriber.

18                    (8) "Unsubscribed energy" means any community solar energy generating  
19 system output in kilowatt-hours that is not allocated to any subscriber.

20                    (9) "Virtual net energy metering" means measurement of the difference  
21 between the kilowatt-hours or value of electricity that is supplied by an electric company  
22 and the kilowatt-hours or value of electricity attributable to a subscription to a community  
23 solar energy generating system and fed back to the electric grid over the subscriber's billing  
24 period, as calculated under the tariffs established under subsection (e)(2) of this section.

25                    (b) The General Assembly finds that:

26                    (1) community solar energy generating systems:

27                    (i) provide residents and businesses, including those that lease  
28 property, increased access to local solar electricity while encouraging private investment in  
29 solar resources;

30                    (ii) enhance continued diversification of the State's energy resource  
31 mix to achieve the State's renewable energy portfolio standard and Greenhouse Gas  
32 Emissions Reduction Act goals; and

1 (iii) provide electric companies and ratepayers the opportunity to  
2 realize the many benefits associated with distributed energy; and

3 (2) it is in the public interest that the State enable the development and  
4 deployment of energy generation from community solar energy generating systems in order  
5 to:

6 (i) allow renters and low-income and moderate-income retail  
7 electric customers to own an interest in a community solar energy generating system;

8 (ii) facilitate market entry for all potential subscribers while giving  
9 priority to subscribers who are the most sensitive to market barriers; and

10 (iii) encourage developers to promote participation by renters and  
11 low-income and moderate-income retail electric customers.

12 (d) (1) (i) The Commission shall establish a pilot program for a Community  
13 Solar Energy Generating System Program.

14 (ii) The structure of the pilot program is as provided in this  
15 subsection.

16 (5) An electric company shall use the tariff structure under subsection  
17 (e)(2) of this section to provide each subscriber with the credits.

18 (6) A subscriber may not receive credit for virtual net excess generation  
19 that exceeds 200% of the subscriber's baseline annual usage.

20 **(F) (1) ON OR BEFORE NOVEMBER 1, 2022, THE COMMISSION SHALL**  
21 **DIRECT AN ELECTRIC COMPANY PARTICIPATING IN THE PROGRAM TO FILE A**  
22 **REVISED TARIFF AND PROTOCOL PROVIDING FOR THE APPLICATION OF MONTHLY**  
23 **ELECTRIC BILL CREDITS TO THE BILL OF A SUBSCRIBER REGARDLESS OF WHETHER**  
24 **THE COMMUNITY SOLAR ENERGY GENERATING SYSTEM IS LOCATED IN THE SAME**  
25 **ELECTRIC SERVICE TERRITORY AS THE SUBSCRIBER.**

26 **(2) ON OR BEFORE JANUARY 31, 2023, THE COMMISSION SHALL**  
27 **APPROVE OR AMEND AND APPROVE THE TARIFFS AND PROTOCOLS REQUIRED**  
28 **UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 2022.